



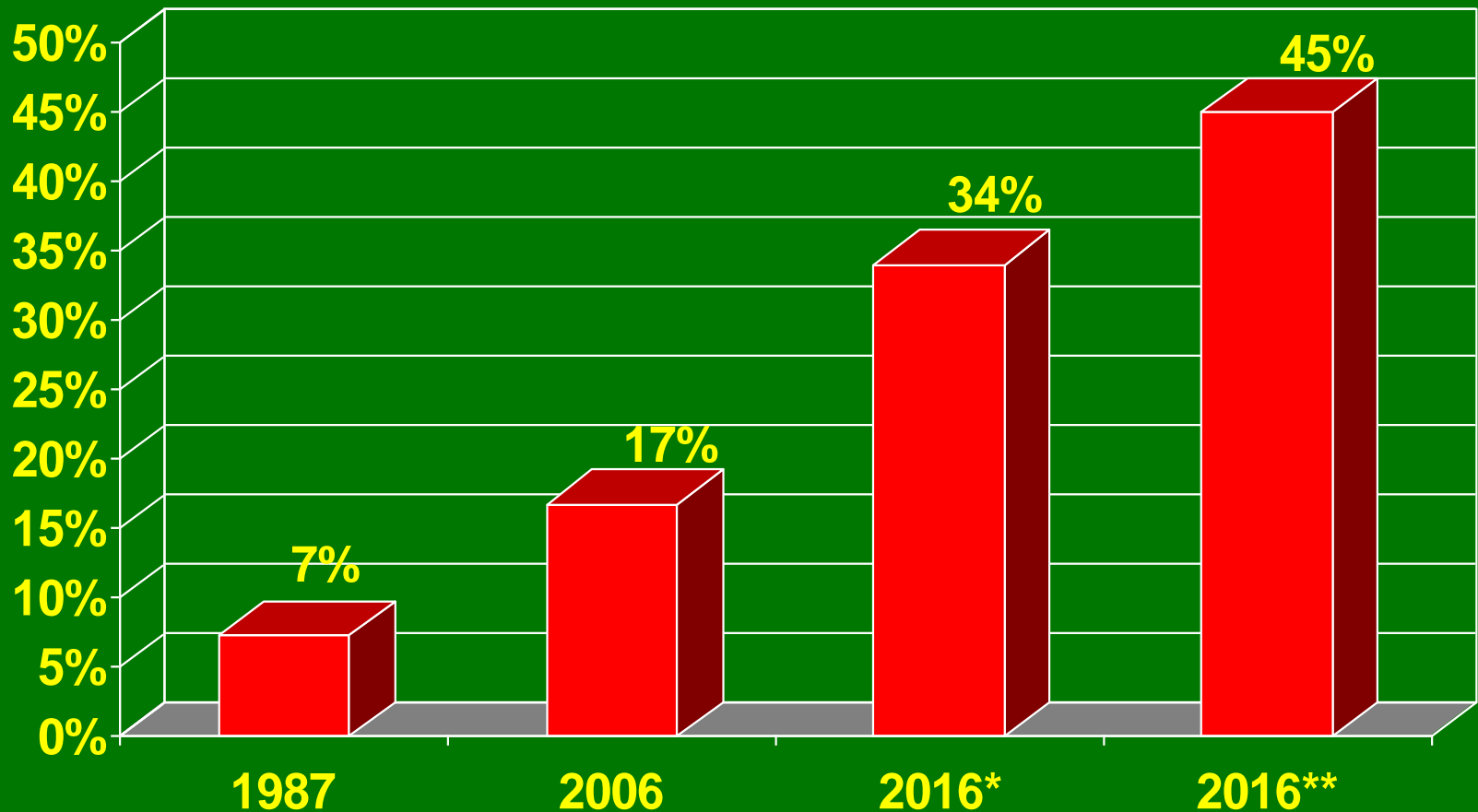
Why Doing Nothing Is NOT An Option

Len Nichols, Ph.D.

**Director, Center For Health Policy Research and Ethics
College of Health And Human Services
George Mason University**

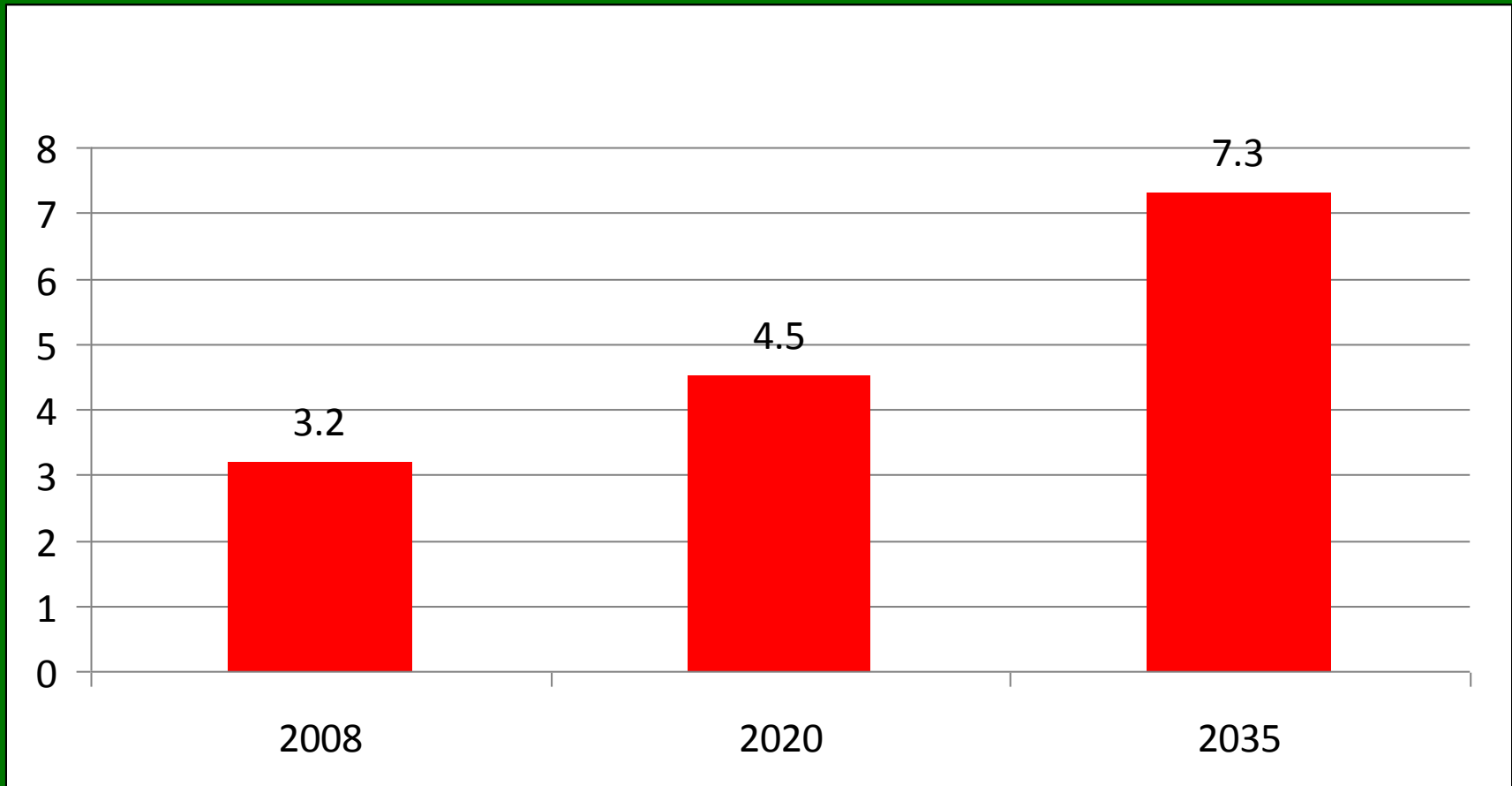
**Division of Health Care Finance and Policy
Annual Public Hearing under M.G.L. c.118G §6 ½
March 16, 2010
Boston, MA**

Percent of median family income required to purchase family health insurance



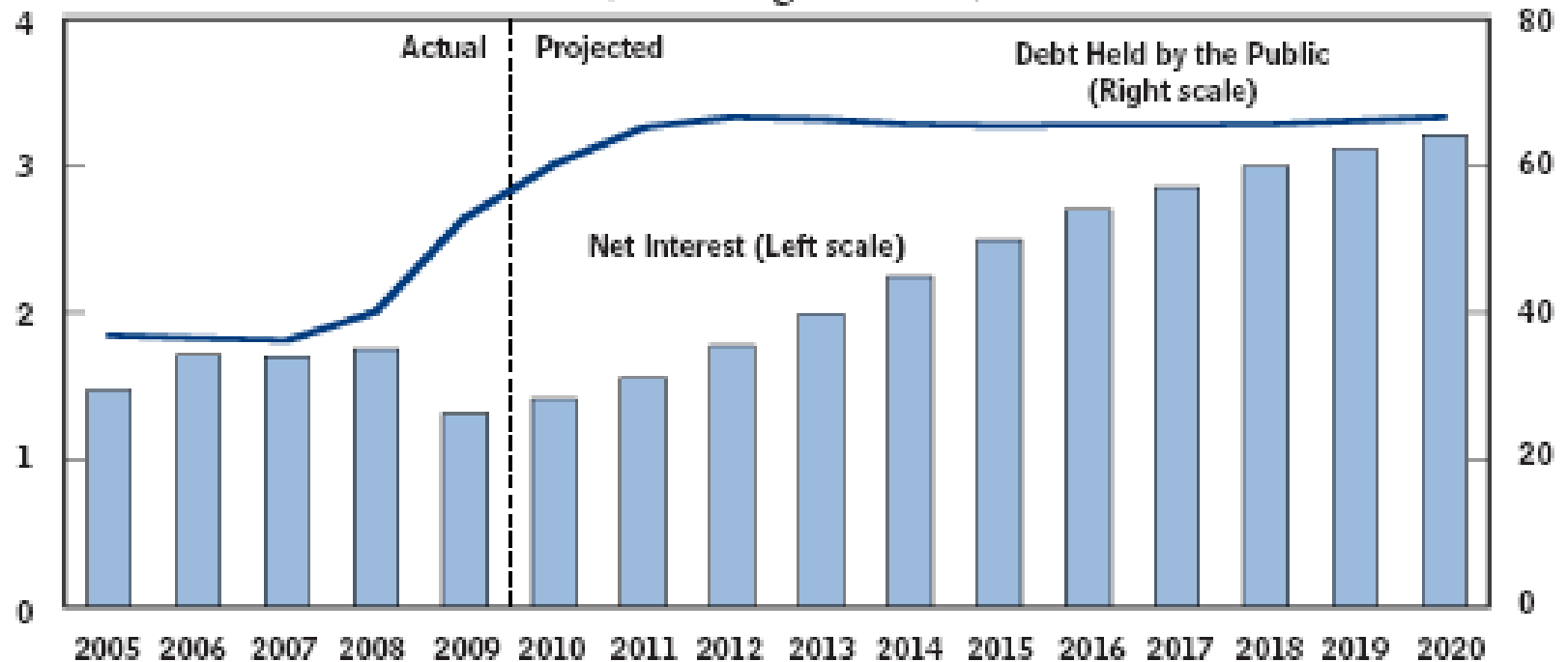
Source: Author's calculations, using KFF and AHRQ premium data, CPS income data, plus projections from Carpenter and Axeen, *The Cost of Doing Nothing*, 2008.

Medicare is unsustainable now (percent of GDP, projected)

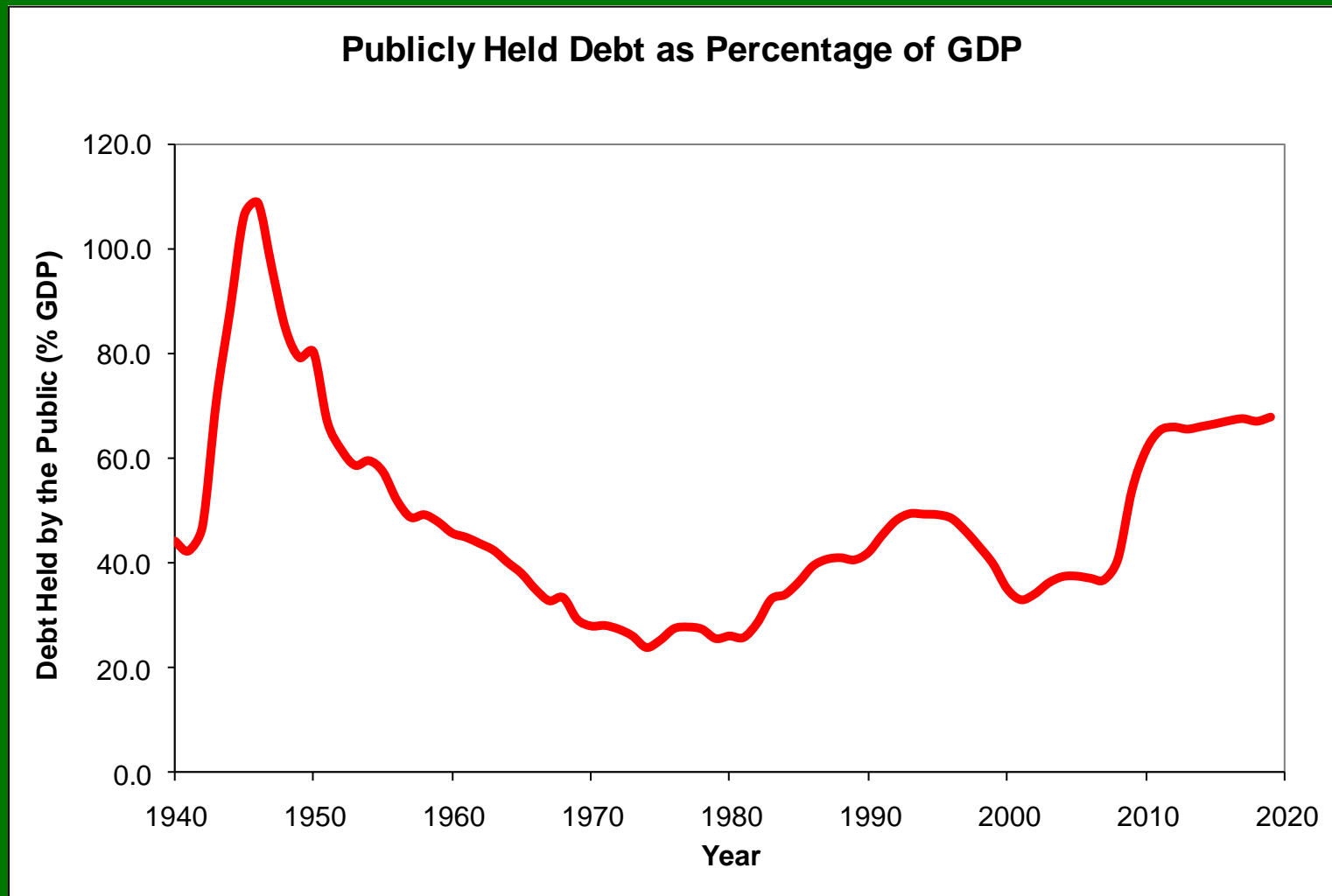


Source: Medicare Trustees Report, 2009.

Debt Held by the Public and Net Interest Payments (Percentage of GDP)



Source: Congressional Budget Office



Source: Council of Economic Advisors, CBO.

Take Away Messages

- Local Market Power is major issue
 - Countervailing market (buying) power may be best, along with serious transparency
- Elements of Countervailing Market Power
 - Signal business as usual is over
 - Ending FFS is not enough
 - LISTEN to progressive private sector voices
- Private Sector Voices Tell Me:
 - Evidence based regulation
 - Share information and incentives with all payers
 - Reward clear objectives clearly and swiftly
 - Make public-private partnership to teach best practices

Len M Nichols, PhD

Director of the Center for Health Policy Research and Ethics
Professor of Health Policy
College of Health and Human Services

4400 University Drive
Robinson Hall B378D (MSN 207)
Fairfax, VA 22030

Phone: 703-993-1978
E-mail: lnichol9@gmu.edu
Web: chhs.gmu.edu

